

Message Text

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PAGE 01 REYKJA 00547 201535Z
ACTION EUR-12

INFO OCT-01 ISO-00 PM-04 CIAE-00 INR-07 NSAE-00 DODE-00
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R 201154Z APR 77
FM AMEMBASSY REYKJAVIK
TO SECSTATE WASHDC 7211
CINCLANT
INFO COMICEDEFOR

C O N F I D E N T I A L REYKJAVIK 0547

E.O. 11652: GDS
TAGS: MARR, IC
SUBJECT: FAMILY HOUSING AT KEFLAVIK, ICELAND

REF: STATE 073029

1. SUMMARY. FOREIGN MINISTER WANTS TO KNOW WHETHER FUNDS FROM THE THIRD INCREMENT BASE HOUSING CONSTRUCTION PROGRAM COULD BE REPROGRAMMED FOR OTHER BASE PROJECTS, E.G. GEOTHERMAL HEAT FOR BASE HOUSING. GUIDANCE REQUESTED. END SUMMARY.

2. FOREIGN MINISTER EINAR AGUSTSSON ASKED ME AND COMICEDEFOR, ADMIRAL BERNSTEIN, TO CALL ON HIM APRIL 18 TO DISCUSS VARIOUS SUBJECTS REPORTED SEPTELS. FIRST ITEM ON HIS AGENDA WAS DOD DECISION TO CANCEL THE FY 1977 BASE HOUSING INCREMENT (REFTEL).

3. MINISTER EXPRESSED UNDERSTANDING OF DOD REASONS FOR CANCELLING PROGRAM BECAUSE OF REDUCED HOUSING REQUIREMENTS. WHAT HE WANTED TO KNOW WAS STATUS OF FUNDS THAT HAD PRESUMABLY BEEN PROGRAMMED FOR THE THIRD INCREMENT (\$17.5 MILLION). COMICEDEFOR TOLD MINISTER FUNDS HAD ALREADY BEEN WITHDRAWN AND WERE NO LONGER AVAILABLE.
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MINISTER THEN SAID HE THOUGHT FUNDS SHOULD BE USED TO FINANCE OTHER BASE-RELATED PROJECTS, SUCH AS GEOTHERMAL HEATING PROJECT. COMICEDEFOR AND I EXPLAINED TO MINISTER PROGRAMMING PROCESS WITHIN EXECUTIVE BRANCH AND CONGRESSIONAL AUTHORIZATION AND APPROPRIATION PROCEDURES WHICH MAKE DIFFICULT MOVEMENT OF FUNDS FROM ONE PROGRAM TO ANOTHER.

5. SPEAKING FROM SOME ASPECTS, MINISTER SAID HE KNEW ALL THIS, BUT HE ALSO KNEW THAT EVERY WEEK FUNDS ARE MOVED AROUND WITHIN USG TO MEET REQUIREMENTS. HE CITED RECENT SUPPLIES AND AIRLIFT TO ZAIRE AS CASE IN POINT.

6. COMICEDEFOR STATED THAT DISCUSSIONS HAVE BEEN GOING ON BETWEEN U.S. AND ICELANDIC SIDES OVER EXTENDED PERIOD REGARDING ECONOMIC FEASIBILITY OF DEFENSE FORCE PARTICIPATION IN SUDURNES GEOTHERMAL SYSTEM. DIFFERENCES BETWEEN BOTH SIDES HAD NARROWED AND TEAM WOULD BE ARRIVING WITHIN DAY OR TWO FROM NORFOLK TO SEEK FURTHER REFINEMENT OF DATE ON BASIS OF WHICH USG DECISION MIGHT BE MADE. FOREIGN MINISTER SAID HE WAS AWARE OF PROTRACTED DISCUSSIONS OF HOT WATER HEATING SYSTEM AND HE WAS GLAD TO LEARN PROGRESS WAS BEING MADE IN THEM. HE REPEATED, HOWEVER, THAT WHAT HE WANTED TO KNOW WAS WHETHER FUNDS LOST THROUGH CANCELLATION OF FY 77 HOUSING INCREMENT COULD NOT, FOR EXAMPLE, BE SET ASIDE TO FINANCE USG SHARE OF GEOTHERMAL HEATING PROJECT.

7. I TOLD FOREIGN MINISTER HIS QUERY WOULD BE REFERRED TO WASHINGTON BUT AGAIN I REMINDED HIM THAT FUNDS CANNOT BE MOVED FREELY FROM ONE PROGRAM TO ANOTHER ALTHOUGH REPROGRAMMING WAS SOMETIMES POSSIBLE. FOREIGN MINISTER SAID THIS WAS WHAT HE HAD IN MIND: UTILIZING THE FUNDS APPROPRIATED FOR THE THIRD INCREMENT OF BASE HOUSING TO FINANCE A BASE-RELATED PROJECT. HE EXPRESSED HOPE HE WOULD HEAR FROM ME ON THIS AT EARLY DATE.
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8. COMMENT: IN DISCUSSION FOREGOING WITH US, FOREIGN MINISTER SEEMED EXTRAORDINARILY EDGY AND, AFTER PRELIMINARY COURTESIES, UNSMILING. HE CLEARLY DID NOT LIKE BEING TOLD THAT AFORMENTIONED CONSTRUCTION FUNDS WERE NO LONGER AVAILABLE FOR EXPENDITURE ON BASE-RELATED PROJECT. WHAT HE MAY BE TRYING TO DO IN RAISING SUBJECT WITH US IS TO PRESUME THAT IF AN AGREEMENT IS REACHED ON GEOTHERMAL HEATING PROJECT ITS IMPLEMENTATION WILL NOT BE STALLED INDEFINITELY BY UNAVAILABILITY OF FUNDS FROM AMERICAN SIDE.

9. ACTION REQUESTED: REQUEST I BE INFORMED AS TO REPLY THAT MAY BE MADE TO FOREIGN MINISTER AND, SPECIFICALLY, WHETHER ANY OF FY 77 HOUSING FUNDS MAY BE REPROGRAMMED FOR OTHER BASE-RELATED PROJECTS, E.G.. TO FINANCE HEATING SYSTEM FOR BASE HOUSING IF AGREEMENT IS REACHED WITH GOI ON HOT WATER PROJECT.

10. FOREGOING CLEARED BY COMICEDEFOR.

11. MESSAGE DELAYED IN TRANSMISSION OWING TO TECHNICAL
BREAKDOWN IN COMMUNICATIONS FACILITIES BETWEEN EMBASSY
AND BASE.
BLAKE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, HOUSING, POLICIES, MILITARY BASES
Control Number: n/a
Copy: SINGLE
Sent Date: 20-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Subject: FAMILY HOUSING AT KEFLAVIK, ICELAND
TAGS: MARR, IC, US
To: STATE CINCLANT
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/3611b1a1-c288-dd11-92da-001cc4696bcc
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